Postal Regulatory Commission Submitted 1/12/2012 4:07:35 PM Filing ID: 79579 Accepted 1/12/2012

### BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION SERVICE CHANGES, 2011

Docket No. N2012-1

### RESPONSES OF THE UNITED STATES POSTAL SERVICE TO DAVID POPKIN INTERROGATORIES (DBP/USPS-17 THROUGH 22 AND 25 THROUGH 29)

The United States Postal Service hereby provides institutional responses to the above-listed interrogatories of David Popkin dated December 28, 2011. Each interrogatory is stated verbatim and followed by the response. Responses to DBP/USPS-23 and 24 are forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**DBP/USPS-17** Please refer to your response to Interrogatory DBP/USPS-3. Please explain in generalities how overnight First-Class Mail which nominally has a travel time of 3 or less hours will now have a 3-day standard which nominally will have a travel time of over 4 hours.

#### RESPONSE

ZIP Codes are assigned to facilities in the current environment which are overnight to ZIPs assigned to other facilities. In the future state scenario, it is possible that ZIP Codes associated with those two different facilities which are overnight today will be reassigned to different facilities which are greater than 4 hours apart, which by the business rule proposed, would make those 3-digit ZIPs 3-day pairs.

**DBP/USPS-18** Please refer to your response to Interrogatory DBP/USPS-4 subpart [b]. Please provide a specific page and line number of USPS Library Reference N2012-1/7 that provides the response to my Interrogatory.

#### **RESPONSE**

Please see page 18 section (b).

**DBP/USPS-19** Please refer to your response to Interrogatory DBP/USPS-5. Please provide a specific page and line number of USPS Library References N2012-1/7 and 2012-1/8 that provides the response to my Interrogatory.

#### RESPONSE

USPS Library Reference N2012-1/8 contains all 3-digit ZIP Code pairs and their corresponding service standards. Listed under the ZIP Codes associated with the locations provided are the service standards to and from each point.

Otherwise, please see USPS Library Reference N2012-1/7 at pages 17 – 20.

**DBP/USPS-20** Please refer to your response to Interrogatory DBP/USPS-7 subpart [a]. Please provide a specific document in Docket PI2008-1 and page and line number that provides the response to my Interrogatory.

#### RESPONSE

The Postal Service's response to DBP/USPS-7 does not imply that a response to all of the questions asked in that interrogatory will be found in documents filed in that docket. In the interest of minimizing adversarial motions practice, the response sought to gently illuminate the fact that changes in the EXFC measurement system that may have been implemented as far back as seven years are not relevant to the issues raised by the request in this docket. Nevertheless, in light of that question's interest in irrelevant historical matters, the response sought to direct the questioner to a source of information that might shed light on the historical development of measurement systems that have been in use in recent years as a result of the enactment of the PAEA. One the other hand, DBP/USPS-21, which requests a copy of the current EXFC contract and statement of work, is more clearly focused in the direction of issues relevant to the Request in this docket.

**DBP/USPS-21** Please refer to your response to Interrogatory DBP/USPS-7. Please provide a copy of the current EXFC Contract and Statement of Work.

#### RESPONSE

See USPS Library Reference N2012-1/51, which will be filed soon. It will contain both documents. If and when necessary to conform to service standard changes associated with the Request in this docket that may be implemented, the Postal Service will identify and implement such changes to EXFC as may be necessary.

**DBP/USPS-22** Please refer to your response to Interrogatory DBP/USPS-7 subparts [b] and [c]. The evaluation of the performance of First-Class Mail with respect to achieving the new service standards being proposed in this Docket is relevant. Please respond to Interrogatory DBP/USPS-7 subparts [b] and [c].

#### **RESPONSE**

See the responses to DBP/USPS-20 and 21.

**DBP/USPS-25** Please refer to your response to Interrogatory DBP/USPS-13. Please explain <u>in generalities</u> how 3-day First-Class Mail which nominally has a travel time of more than 12 hours will now have a 2-day standard which nominally will have a travel time of 4 or less hours.

#### RESPONSE

3-day mail volume is made up of ZIP Code pairs in which the originating plant-ADC is greater than 12 hours of drive time, not the ZIP-to-ZIP pair. In some instances under review within this docket, ZIP Codes are reassigned to facilities such that those facility pairs are within 4 hours, whereas today the originating plant-ADC assignments are currently greater than 12 hours.

#### DBP/USPS-26

- [a] For every given service standard for First-Class Mail between ZIP Code pairs in the A to B direction, will it also have the same service standard in the B to A direction?
- [b] If not, please provide the exceptions either individually or generically as might apply in a non-contiguous US 3-digit ZIP Code area.

#### **RESPONSE**

- a. No.
- b. The Postal Service has included time zones differences within the calculation of drive-time, which will mean for those pairs crossing time-zones, there may be some service standards that are non-reciprocal.

**DBP/USPS-27** Several years ago the Postal Service provided customers with a CD Rom showing the service standards for various mail categories. This CD provided various maps with different color overlays. Are there any plans to resume distribution of these and if so, when and if not, why not?

#### **RESPONSE**

No. Because no such plans have been developed.

**DBP/USPS-28** In Docket N2006-1, USPS Witness David E. Williams testified to the following on July 18, 2006, on Page 546 line 23 to Page 547 line 22

Because we've got excess capacity in our facilities, because we've introduced technology in the form of optical character readers and very very high speed automation, because we have the equipment that provides us much greater depth of sort in our distribution operations, all those technology changes have decreased the cycle time, that is that time that it takes to process mail. We process mail much much faster to greater depths of sort in our facilities, and you couple that with the very significant decreases in single piece first class mail, the fact that we've got tremendous excess capacity in our originating operations because our mailers are dropping deeper and deeper into our system. It's that operating window that has traditionally been full of mail with much slower equipment. All those factors combined have created a great opportunity to have mail come in later and still allow us to get greater depth of sort much quicker and to be able to meet the operating plan of that facility. It doesn't mean that we've got to change collection box changes. We're leveraging technology, taking advantage of the excess capacity to process this mail within the boundaries of the operating plans.

- [a] Would this testimony still be valid as of today under the current existing conditions?
- [b] Would this testimony still be valid after the implementation of the proposed Docket?
- [c] If your response to subparts [a] and [b] above is not an unequivocal yes, please explain why it would no longer be valid.

#### **RESPONSE**

(a) To some extent. The current conditions facing the Postal Service go beyond just those laid out within the testimony of David Williams in 2006. At that time, the Postal Service's volume was increasing, and the operations that faced the most excess capacity was the originating operation due to the mailer impacts described above. Since 2006, mail volumes have declined from 213.1B pieces to 167.9B pieces, with a decline of First Class Single Piece letters of 42.1 B pieces to approximately 24.5 B pieces. All letter mail volume, regardless of class is required to be worked through constrained DPS windows in order to maintain First Class overnight service standards. This constraint limits the ability to

### RESPONSE to DBP/USPS-28 (continued)

reduce the capacity in the network commensurate with the volume declines the Postal Service has experienced, as well as those forecasted in the future.

- (b) After implementation of the Proposed Docket, the Postal Service would have realized the consolidation opportunities and efficiency gains through the operational changes described in the docket. Therefore, after implementation of the proposed docket, the Postal Service would not have excess capacity that currently exists within the current network. In addition, the boundaries that currently exist within the operating plan due to the current overnight service constraint would be changed commensurate with the expansion of the operating windows.
- (c) See the responses to subparts (a) and (b) above.

**DBP/USPS-29** Please refer to your response to Interrogatory DBP/USPS-16. At this point in time have any changes in Part 3 of the Postal Operations Manual been considered or discussed as a result of the potential implementation of the proposed Docket?

#### **RESPONSE**

As stated in the response to DBP/USPS-16, the Postal Service is examining whether the operational and service changes within the scope of this docket will require changes in the Postal Operations Manual (POM). That implies that postal employees will be considering and discussing POM changes. There is no basis for interpreting the response to DBP/USPS-16 as excluding Chapter 3.